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DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-922, A-583-842, C-570-923]

Raw Flexible Magnets from the People's Republic of China and Taiwan: Continuation of Antidumping Duty Orders and Countervailing Duty Order

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: As a result of the determinations by the Department of Commerce (Commerce) and the U.S. International Trade Commission (ITC) that revocation of the antidumping duty (AD) orders on raw flexible magnets from the People's Republic of China (China) and Taiwan, and revocation of the countervailing duty (CVD) order on raw flexible magnets from China would likely lead to a continuation or recurrence of dumping, countervailable subsidies, and material injury to an industry in the United States, Commerce is publishing a notice of continuation of the AD orders and the CVD order.

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Joshua Poole, AD/CVD Operations, Office I (AD), and Kristen Johnson, AD/CVD Operations, Office III (CVD), Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-1293 and (202) 482-4793, respectively.

SUPPLEMENTARY INFORMATION:

Background

On September 17, 2008, Commerce published in the *Federal Register* the AD orders on raw flexible magnets from China and Taiwan and the CVD order on raw flexible magnets from China.¹ On January 2, 2019, the ITC instituted its review of the *Orders*, pursuant to section 751(c) of the Tariff Act of 1930, as amended (the Act).² On February 5, 2019, Commerce published the initiation of the second sunset reviews of the *Orders*, pursuant to section 751(c) of the Act.³ On February 8, 2019, Commerce received timely notices of intent to participate in these sunset reviews from Magnum Magnetics Corporation (Magnum) within the deadline specified in 19 CFR 351.218(d)(1)(i).⁴ Magnum, a domestic producer of the subject merchandise, claimed interested party status under section 771(9)(C) of the Act.⁵ On March 7, 2019, Commerce received complete and adequate substantive responses from Magnum within the 30-day deadline specified in 19 CFR 351.218(d)(3)(i).⁶ Commerce received no substantive response from respondent interested parties. Pursuant to section 751(c)(3)(B) of the Act, Commerce conducted expedited (120-day) sunset reviews of the *Orders*.⁷ On June 5, 2019, the ITC published its notice to conduct an expedited five-year review of the *Orders*.⁸

¹ See *Antidumping Duty Order: Raw Flexible Magnets from the People's Republic of China*, 73 FR 53847 (September 17, 2008); see also *Antidumping Duty Order: Raw Flexible Magnets from Taiwan*, 73 FR 53848 (September 17, 2008); and *Raw Flexible Magnets from the People's Republic of China: Countervailing Duty Order*, 73 FR 53849 (September 17, 2008) (collectively, *Orders*).

² See *Raw Flexible Magnets from China and Taiwan; Institution of Five-Year Reviews*, 84 FR 8 (January 2, 2019).

³ See *Initiation of Five-Year (Sunset) Reviews*, 84 FR 1705 (February 5, 2019).

⁴ See Letter from Magnum, "Five-Year Review of Raw Flexible Magnets from China and Taiwan: Notice of Intent to Participate," dated February 8, 2019.

⁵ *Id.*

⁶ See Letter from Magnum, "Five-Year ("Sunset") Review of the Antidumping Duty and Countervailing Duty Orders on Raw Flexible Magnets from China and Taiwan: Domestic Industry Substantive Response," dated March 7, 2019.

⁷ See *Raw Flexible Magnets from the People's Republic of China and Taiwan: Final Results of the Expedited Sunset Reviews of the Antidumping Duty Orders*, 84 FR 26400 (June 6, 2019); see also *Raw Flexible Magnets from the People's Republic of China: Final Results of the Expedited Second Sunset Review of the Countervailing Duty Order*, 84 FR 26403 (June 6, 2019) (collectively, *Sunset Final Results*).

⁸ See *Raw Flexible Magnets from China and Taiwan; Scheduling of Expedited Five-Year Reviews*, 84 FR 26156 (June 5, 2019).

As a result of its reviews, Commerce determined, pursuant to sections 751(c)(1) and 752(b) and (c) of the Act, that revocation of the *Orders* on raw flexible magnets from China and Taiwan would likely lead to continuation or recurrence of dumping and countervailable subsidies. Commerce, therefore, notified the ITC of the magnitude of the margins of dumping and net countervailable subsidy rates likely to prevail should these *Orders* be revoked, in accordance with sections 752(b)(3) and (c)(3) of the Act.⁹

On July 17, 2019, the ITC published its determination that revocation of the *Orders* would likely lead to a continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time, pursuant to sections 751(c) and 752(a) of the Act.¹⁰

Scope of the *Orders*

The products covered by the orders are certain flexible magnets regardless of shape,¹¹ color, or packaging.¹² Subject flexible magnets are bonded magnets composed (not necessarily exclusively) of (i) any one or combination of various flexible binders (such as polymers or copolymers, or rubber) and (ii) a magnetic element, which may consist of a ferrite permanent magnet material (commonly, strontium or barium ferrite, or a combination of the two), a metal alloy (such as NdFeB or Alnico), any combination of the foregoing with each other or any other material, or any other material capable of being permanently magnetized. Subject flexible magnets may be in either magnetized or unmagnetized (including demagnetized) condition, and may or may not be fully or partially laminated or fully or partially bonded with paper, plastic, or

⁹ See *Sunset Final Results*.

¹⁰ See *Raw Flexible Magnets from China and Taiwan; Determination*, 84 FR 34199 (July 17, 2019); see also *Raw Flexible Magnets from China and Taiwan: Investigation Nos. 701-TA-452 and 731-TA-1129-1130* (Second Review), USITC Publication 4921 (July 2019).

¹¹ The term “shape” includes, but is not limited to profiles, which are flexible magnets with a non-rectangular cross-section.

¹² Packaging includes retail or specialty packaging such as digital printer cartridges.

other material, of any composition and/or color. Subject flexible magnets may be uncoated or may be coated with an adhesive or any other coating or combination of coatings.

Specifically excluded from the scope of the orders are printed flexible magnets, defined as flexible magnets (including individual magnets) that are laminated or bonded with paper, plastic, or other material if such paper, plastic, or other material bears printed text and/or images, including but not limited to business cards, calendars, poetry, sports event schedules, business promotions, decorative motifs, and the like. This exclusion does not apply to such printed flexible magnets if the printing concerned consists of only the following: a trade mark or trade name; country of origin; border, stripes, or lines; any printing that is removed in the course of cutting and/or printing magnets for retail sale or other disposition from the flexible magnet; manufacturing or use instructions (*e.g.*, “print this side up,” “this side up,” “lamine here”); printing on adhesive backing (that is, material to be removed in order to expose adhesive for use such as application of laminate) or on any other covering that is removed from the flexible magnet prior or subsequent to final printing and before use; non-permanent printing (that is, printing in a medium that facilitates easy removal, permitting the flexible magnet to be re-printed); printing on the back (magnetic) side; or any combination of the above.

All products meeting the physical description of subject merchandise that are not specifically excluded are within the scope of the orders. The products subject to the orders are currently classifiable principally under subheadings 8505.19.10 and 8505.19.20 of the Harmonized Tariff Schedule of the United States (HTSUS). The HTSUS subheadings are provided only for convenience and customs purposes; the written description of the scope of the orders is dispositive.

Continuation of the *Orders*

As a result of the determinations by Commerce and the ITC that revocation of the *Orders* would likely lead to a continuation or recurrence of dumping, countervailable subsidies, and material injury to an industry in the United States, pursuant to section 751(d)(2) of the Act and 19 CFR 351.218(a), Commerce hereby orders the continuation of these *Orders* on raw flexible magnets from China and Taiwan. U.S. Customs and Border Protection will continue to collect AD and CVD cash deposits at the rates in effect at the time of entry for all imports of subject merchandise.

The effective date of the continuation of these *Orders* will be the date of publication in the *Federal Register* of this notice of continuation. Pursuant to section 751(c)(2) of the Act and 19 CFR 351.218(c)(2), Commerce intends to initiate the next five-year (sunset) reviews of these *Orders* not later than 30 days prior to the fifth anniversary of the effective date of continuation.

Administrative Protective Order (APO)

This notice also serves as the only reminder to parties subject to APO of their responsibility concerning the return, destruction, or conversion to judicial protective order of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Failure to comply is a violation of the APO which may be subject to sanctions.

Notification to Interested Parties

These five-year sunset reviews and this notice are in accordance with section 751(c) of the Act and published pursuant to section 777(i)(1) of the Act and 19 CFR 351.218(f)(4).

Dated: July 17, 2019.

Jeffrey I. Kessler,

Assistant Secretary

for Enforcement and Compliance.

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